



ENERGY ASSURANCE DAILY

Thursday Evening, August 28, 2008

Electricity

TVA Requests NRC to Renew Construction Permits for Two Proposed Nuclear Reactors in Alabama

Although it has not yet made a final decision as to whether or not to proceed with construction of two reactors left unfinished 20 years ago, TVA has asked the NRC to renew the permits. NRC will determine whether the old permits can be reactivated or if new permits will be required.

<http://www.charlotteobserver.com/136/story/155748.html>

NorthWestern Energy Proposes Mill Creek Gas-fired Power Plant in Montana

NorthWestern Energy is seeking permits for the plant and hopes to start construction in 2009.

http://biz.yahoo.com/ap/080827/mt_northwestern_power_plant.html?.v=1

TransAlta's 399 MW Sundance Coal-fired Unit 6 in Alberta Shut August 27

Reuters, 18:59 August 27, 2008

Reliant's 320 MW Etiwanda Gas-fired Unit 4 in California Shut by August 27

According to the California Independent System Operator, the unit experienced an unplanned curtailment of 249 MW on August 27.

<http://www.caiso.com/unitstatus/data/unitstatus200808271515.html>

AES's 225 MW Huntington Beach Gas-fired Unit 3 in California Shut by August 27

According to the California Independent System Operator, the unit experienced an unplanned curtailment of 134 MW on August 27.

<http://www.caiso.com/unitstatus/data/unitstatus200808271515.html>

Update: Reliant's 246 MW Coolwater Gas-fired Unit 4 in California Returns to Service August 27

According to the California Independent System Operator, the unit experienced an unplanned outage on August 27.

<http://www.caiso.com/unitstatus/data/unitstatus200808271515.html>

Petroleum

Update: Gulf of Mexico Oil and Gas Facilities Prepare for Tropical Storm Gustav

NOAA reports that as of 2:00 PM eastern time, August 28, Tropical Storm Gustav was over Jamaica with sustained winds of 70 miles per hour. The storm is on track to cross the western tip of Cuba before entering the Gulf of Mexico, where it is expected to strengthen to a hurricane. By early Tuesday, September 2, Gustav is expected to make landfall in Louisiana. According to data submitted to MMS, as of 12:30 PM eastern time, personnel have been evacuated from a total of 2 production platforms, equivalent to 0.28 percent of the 717 manned platforms in the Gulf of Mexico. Separately, companies have announced evacuations or plans to evacuate in anticipation of Gustav:

- Shell evacuated 300 personnel on Wednesday, will evacuate an additional 400 workers Thursday, and expects to evacuate the remaining 600 employees from its platforms in the Gulf of Mexico by Saturday. Shell's Gulf production will be affected by the evacuations starting Thursday.
- Anadarko Petroleum Corp. expects to halt production from all of its Gulf of Mexico facilities, including the Independence Hub natural gas platform, by Sunday. No production has been shut in as of Thursday.

- ConocoPhillips shut its Magnolia platform in the Gulf of Mexico on Tuesday for a planned overhaul. The company will evacuate non-essential personnel on Thursday, and evacuate the remaining workers on Saturday if the storm follows the current predicted path into the production area.
- Apache Corp. is evacuating nonessential personnel.
- Murphy Oil is evacuating nonessential personnel but has not shut in production thus far.
- Transocean is evacuating workers and preparing for further evacuations of its rigs.
- The Louisiana Offshore Oil Port (LOOP) expects to halt offloading tankers by this weekend.
- Petrobras plans to evacuate nonessential personnel from its Gulf of Mexico facilities on Thursday and Friday.
- Valero is prepared to shut its Gulf Coast refineries if evacuations are mandated ahead of the storm.

Sources:

http://www.nhc.noaa.gov/graphics_at2.shtml?5day?large#contents

<http://www.mms.gov/ooc/press/2008/press0828.htm>

<http://www.reuters.com/articlePrint?articleId=USN2831446620080828>

http://online.wsj.com/article/SB121994044239780061.html?mod=googlenews_wsj

Reuters, 11:54 August 28, 2008

Reuters, 11:36 August 28, 2008

Reuters, 10:58 August 28, 2008

Reuters, 10:51 August 28, 2008

Reuters, 10:39 August 28, 2008

Rueters, 09:18 August 28, 2008

Reuters, 18:31 August 27, 2008

Bloomberg News, 15:11 August 28, 2008

SRU and SCOT Unit at Delek's 55,000 b/d Tyler, Texas Refinery Shut August 27

Both units shut briefly due to an upset at the amine unit.

<http://www11.tceq.state.tx.us/oce/eeq/index.cfm?fuseaction=main.getDetails&target=113198>

Update: Enbridge Commences Construction on Canadian Portion of Alberta Clipper Expansion Project

The project involves constructing a 36-inch diameter, 1,000 mile crude oil pipeline from Alberta to Wisconsin. The pipeline will have an initial capacity of 450,000 b/d, and an estimated total capacity of 800,000 b/d.

http://www.downstreamtoday.com/News/Articles/200808/Enbridge_Begins_Alberta_Clipper_Construc_12523.aspx

Update: TransCanada to Commence Construction on Keystone Crude Pipeline by Mid-October

TransCanada will begin construction of the pipeline's Missouri River crossing. The pipeline will carry crude from Alberta to refineries in the United States.

<http://www.ksfy.com/news/27436524.html>

OPEC Exports, Excluding Angola and Ecuador, to Fall 340,000 b/d to September 13

Shipments have dropped by about 600,000 b/d from the peak in the end of June. Shipments in June were increased following a pledge by Saudi Arabia to boost production. The decline is likely due to weakening demand.

Reuters, 11:30 August 28, 2008

Natural Gas

Destin Pipeline Company Declares Force Majeure on Offshore Receipts effective August 30 due to Tropical Storm Gustav

A posting on the company's website indicates that Destin will be unable to provide transportation services from its offshore receipt points due to Tropical Storm Gustav. As a result, Destin claims Force Majeure until further notice effective 9:00 AM CDT on August 30, 2008. Destin's onshore Receipt and Delivery Points will remain in operation. Destin Pipeline Company's system in the Gulf of Mexico has a capacity of 1.2 Bcf/d.

<http://www.destin-pipeline.com/?tmi=1106&tmt=5>

Update: Sea Robin Pipeline Company Issues Operational Flow Order after 1 Bcf/d Sea Robin Pipeline and Processing Plant Shut

The system was shut due to a pigging problem on August 27 and will be out of service until further notice. The company has issued an operational flow order, for all Sea Robin receipt points effective at 9:00 a.m. on August 30.
<http://infopost.panhandleenergy.com/InfoPost/jsp/NoticeDetail.jsp?NoticeId=3800>

Explosion at Energy Transfer's 36-Inch Gas Pipeline Near San Antonio, Texas August 28

An explosion occurred between 8:00 and 8:30 A.M. local time. A company spokesman said that natural gas is being rerouted and customers will not be affected.

Bloomberg News, 15:11 August 28, 2008

Brief Fire at Kinder Morgan Gas Pipeline in Texas

The fire which occurred on a line of the Natural Gas Pipeline Company, a subsidiary of Kinder Morgan was quickly extinguished. The company confirmed that there was no explosion

Bloomberg News, 13:45 August 28, 2008

Lackawanna Clean Energy Proposes Plant that Converts Coal and Refinery By-Products to Natural Gas in New York

The gas produced from the plant would be sold to large natural gas pipeline companies.

http://www.downstreamtoday.com/News/Articles/200808/Buffalo_area_Plant_Would_Convert_Coal_P_12519.aspx

Alaska Governor Signs Bill Authorizing TransCanada to Build Natural Gas Pipeline from North Slope

The pipeline, which is anticipated to commence in 2018, will ship 4 Bcf/d of natural gas.

http://news.yahoo.com/story//nm/20080828/pl_nm/transcanada_pipeline_dc

Other News

Nothing to Report.

Energy Prices

U.S. Oil and Gas Prices August 28, 2008			
	Today	Week Ago	Year Ago
CRUDE OIL West Texas Intermediate U.S. \$/Barrel	115.72	121.23	71.79
NATURAL GAS Henry Hub \$/Million Btu	8.54	8.04	5.56

Source: Reuters

Energy Notes

DOE Prepared to Release Crude from Strategic Petroleum Reserve if Hurricane Gustav Hits Gulf of Mexico

Reuters, 12:43 August 28, 2008

North Dakota Endorses Otter Tail's and Montana-Dakota Utilities Company Proposed 500 MW Expansion of Big Stone Power Plant in South Dakota

http://www.examiner.com/a-1558294~Power_plant_expansion_gets_ND_regulators_blessing.html

Human Error Blamed for Radiation Spike that Led to Worker Evacuations from Vermont Yankee Nuclear Plant in Vermont August 26

<http://www.wptz.com/news/17310768/detail.html?rss=pla&psp=news>

DOE to Investigate August 27 Explosion and Fire at Oil Field in Oklahoma

<http://www.newson6.com/global/story.asp?s=8908740>

Valero's 275,000 b/d Aruba Refinery Running at Slightly Reduced Rates While Undergoing Work August 28

Reuters, 09:53 August 28, 2008

Ecuador Decreases 2009 Production Target 8 Percent to 480,000 b/d – Ecuador Oil Minister

Reuters, 12:44 August 28, 2008

Links

This Week in Petroleum from the Energy Information Administration (EIA)

<http://tonto.eia.doe.gov/oog/info/twip/twip.asp>

Updated every Wednesday.

Weekly Petroleum Status Report from EIA

http://www.eia.doe.gov/oil_gas/petroleum/data_publications/weekly_petroleum_status_report/wpsr.html

Updated after 10:30 AM & 1:00 PM EST every Wednesday.

Natural Gas Weekly Update from EIA

<http://tonto.eia.doe.gov/oog/info/ngw/ngupdate.asp>

Updated after 2:00 PM EST every Thursday.

ENERGY ASSURANCE DAILY

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<http://www.oe.netl.doe.gov/ead.aspx>

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